

California Environmental Quality Act

NOTICE OF EXEMPTION

TO: **FROM: Bay Area Air Quality Management District**
375 Beale Street, Suite 600
San Francisco, CA 94105

Lead Agency: Bay Area Air Quality Management District
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SUBJECT: FILING OF NOTICE OF EXEMPTION PURSUANT TO SECTION 21152 OF THE PUBLIC RESOURCES CODE AND CEQA GUIDELINES SECTION 15061(b)(3)

Project Title: Amendments to Regulation 3: Fees

Project Location: The regulation applies within the Bay Area Air Quality Management District ("District"), which includes all of Alameda, Contra Costa, Marin, Napa, San Francisco, San Mateo, and Santa Clara counties, and the southern portions of Solano and Sonoma counties.

Project Description: The project consists of amendments to an existing BAAQMD regulation that establishes fees for source operations and other activities. The amendments become effective on July 1, 2018. The amendments increase fee revenue in order to allow the District to meet budgetary needs for the upcoming fiscal year ending (FYE) 2019, and to continue to effectively implement and enforce regulatory programs for stationary sources of air pollution.

The fee rates in the following Fee Schedules would be amended as follows: (1) 3.1% increase: Schedule B: Combustion of Fuels, , Schedule M: Major Stationary Source Fees, Schedule S: Naturally Occurring Asbestos Operations, and Schedule V: Open Burning; (2) 7% increase: Schedule F: Misc. Sources (storage silos, abrasive blasting), Schedule G-3: Misc. Sources (metal melting, cracking units), Schedule P: Major Facility Review Fees, and Schedule T: Greenhouse Gas Fees; (3) 8% increase: Schedule D: Gasoline Transfer at Gasoline Dispensing Facilities, Bulk Plants & Terminals; (4) 9% increase: Schedule E: Solvent Evaporating Sources, Schedule G-1: Misc. Sources (glass manufacturing, soil remediation), and Schedule H: Semiconductor and Related Operations; (5) 15% increase: Schedule A: Hearing Board Fees, Schedule G-2: Misc. Sources (asphaltic concrete, furnaces), Schedule G-4: Misc. Sources (cement kilns, sulfur removal & coking units, acid manufacturing), Schedule I: Dry Cleaners, Schedule K: Solid Waste Disposal Sites, and Schedule R: Equipment Registration Fees. The following specific fees in Regulation 3 would be increased by 3.1%: New and modified source filing fees, Transfer fees, Emissions banking filing and withdrawal fees, Regulation 2, Rule 9 Alternative Compliance Plan fees, School public notice fees, Toxic inventory maximum fees, Permit to operate renewal processing fees, and Exemption fees.

In addition, the following additional amendments are proposed: (1) Revise Section 3-302 to specify the fee rates applied. The fee rates applied are those in force when the applicant has provided all the information required per 2-1-402 (excluding 2-1-402.3 fees) to evaluate the project; (2) Revise Section 3-342 to add Health Risk Assessment (HRA) review fees to recover the Air District's costs of reviewing HRAs completed by District-approved consultants as required pursuant to Regulation 11, Rule 18: Reduction of Risk from Air Toxic Emissions at Existing Facilities; (3) Revise Section 3-405 to reduce fees charged to facilities that are more than 30 days late on paying their permit renewal invoice. Historically, these delinquent fees have been incurred at a disproportionately high frequency by small businesses such as gasoline dispensing facilities, dry cleaners, and auto body shops. To reduce this burden on small businesses, the proposed amendment would lower this delinquent fee from 50% to 25%; (4) Add Section 3-418 to authorize the Air Pollution Control Officer to reduce the fees for transactions using the Air District's online production system. This would help to serve as an incentive for facilities to conduct these transactions online; (5) Revise Fee Schedule E: Solvent Evaporating Sources, to directly calculate the fee based on the net amount of organic solvent processed; (6) Clarify in Schedule G-1 that Sub-Slab Depressurization Equipment is subject to Schedule F permit fees, not Schedule G-1 permit fees; (7) Delete the formula for S_L and its variables and definitions from Schedule N; and (8) Clarify in Schedule P that Initial Fees do not apply to Title V Renewal applications.

On June 6, 2018, the Board of Directors of the Bay Area Air Quality Management District conducted a public hearing in accordance with California Health and Safety Code Section 41512.5 and approved the project described above and determined that the project was exempt from CEQA.

Finding of Exemption: This project is found to be exempt pursuant to Public Resources Code Section 21080, subd. (b)(8) and CEQA Guidelines Section 15273.

Basis for Exemption: The regulatory amendments which constitute this project modify charges by the BAAQMD for sources of air pollution. The fees and modifications are for the purpose of meeting District operating expenses associated with the regulation of these sources. The amendments are administrative in nature, do not affect air emissions from any sources, and have no possibility of causing significant environmental effects. As such, they fall within the statutory and Guidelines exemptions cited above.

Date Received for Filing

Pamela Leong

Date